IV.—STATEMENT OF THE LEADER OF THE HOUSE CORRECTING A STATEMENT MADE BY HIM *RE* THE STATE HOUSING BOARD.

* THE HON. SRI R. VENKATARAMAN : In regard to the State Housing Board, I stated on the floor of the House on 23rd March 1959 that the Government of India had under contemplation the enactment of a Statutory Housing Authority Bill, and that if they enacted such a Bill, this Government would be able to adopt the same law and have a Statutory Housing Board.

Though the Government of India originally contemplated enacting a model legislation for creating a Statutory Authority, the Housing Ministers' Conference held at Darjeeling, in October 1958, had recommended that State Governments might pass the necessary legislation to set up Statutory Housing Boards. Steps are accordingly being taken for placing the existing non-Statutory Housing Board on a statutory footing, without waiting for any model legislation from the Central Government.

V.—PRESENTATION OF THE FINAL SUPPLEMENTARY STATEMENT OF EXPENDITURE FOR 1959-60.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I rise to present the Third Supplementary Estimates for the year 1959-60. The Supplementary Demand before the House is for Rs. 39.85 crores broken up as Rs. 9.84 crores on Revenue Account, Rs. 17·74 crores on Capital Account and the balance of Rs. 12.27 crores on Loans and Advances.

Thema gnitude of this is, no doubt, large but this only reflects the increasing tempo of plan activities and the large number of new schemes sanctioned during the year.

Hon. Members of this House will remember that when we presented the Budget Estimates for 1959-60, the Budget Estimates included estimates for a Plan of the size of only Rs. 34 crores and that now our expenditure during the current year on the Plan is expected to be Rs. 48 crores including Rs. 9·34 crores, the value of equipment received from Canada for the Kundah Project. Thus, there is a step-up in Plan expenditure alone of the order of Rs. 14 to 15 crores nearly, which mainly accounts for the large Supplementary Demand.

Before I go into the details of the Supplementary Demand, I may point out one main item, viz., Power Development, which accounts for Rs. 20 crores roundly out of the total sum of Rs. 39 crores. The equipment received from Canada for the Kundah Project up to the end of this year estimated at Rs. 934 lakhs is given by Government of India as a loan to this Government who in turn have to pass it on to the State Electricity Board. In this process, the value of equipment has first to be brought on the books of this Government and then the Government has to make a loan to the State Electricity Board. Thus, for the purpose of accounting, we have to first show it as expenditure by Government and

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then as a loan to the State Electricity Board. As a result of this budgetary requirement, in this supplementary estimate we have to take an appropriation twice, one for Rs. 934 lakhs under the grant '85. Capital Outlay on State Trading Schemes' and secondly under 'Loans and Advances by this State Government', although the net outgo from Government will be nil on account of the receipt of corresponding loans from Government of India.

The question whether the value of this equipment should be adjusted in the current year within or outside the Plan has been under correspondence with Government of India for some years. Government of India have now agreed to adjust this amount *over and above* the current year's plan outlay, so as not to cut into the size of our plan. We are, therefore, proceeding to make the adjustments in the current year. Besides this, the outlay on schemes of the State Electricity Board which was originally programmed at Rs. 11 crores has since been stepped up to Rs. 14 crores. Provision has also been made for a reserve cash balance by the Electricity Board of the order of Rs. 63 lakhs.

As a result of these factors, Power alone accounts for a Supplementary Demand of Rs. 9·34 crores under '85. Capital Outlay on State Trading Schemes' and Rs. 10.34 crores under 'Loans and Advances', making in all a total of Rs. 19.68 crores.

We may now turn to certain other significant items in the Supplementary Demand. Hon. Members will see that we have asked for an appropriation of Rs. 114 lakhs on Education, mainly for the net-cost grant to the district boards which has been found to be higher than was originally anticipated. Larger provisions have been made for medical schemes reflecting a large increase in the bed-strength sanctioned during the year. We have also provided for the substantial sum of Rs. 114 lakhs for the Malaria Eradication Programme. It will be seen that although our net requirement under this head is Rs. 28 lakhs only, we have taken a demand of over Rs. 1 crore. This is because we have to take an appropriation from this House for the total expenditure although part of it comes in as receipts from Government of India.

Larger appropriations have also been taken under heads 'Irrigation' and 'Civil Works'. Under Irrigation, the main factor explaining the large appropriation is the tempo of expenditure on Parambikulam-Aliyar Project. Under the present accounting system, the increase of outlay on a project also leads to an increase in certain accounting transactions under what are known as 'Suspense Heads'. Although these are purely accounting adjustments and debits under this head are washed off by credits under the same under the gross-budgetting procedure, we have to take an appropriation for the gross debits, ignoring the receipts or credits. As a result of this, under Suspense Heads, we are taking an appropriation of Rs. 3·79 crores under 'Irrigation' and under 'Civil Works'. They represent only book adjustments which will be wiped off completely by additional credits.

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Members may be interested to know that we are taking an additional appropriation of Rs. 31 lakhs for repairs and maintenance of roads.

I may mention here that this Supplementary Estimate includes provision for nearly 64 new schemes sanctioned during the year. We are following the practice of sanctioning new schemes as and when they are ready. This continuing process of review and sanction of schemes and expanding needs, of course, results in our coming to the Legislature with a large Supplementary Demand. The departments are thus placed in a position to fully review their requirements and to start new schemes throughout the year. The credit for the successful fulfilment of the Plan Schemes is thus in no small measure due to the readiness with which this House has been prepared to vote for these Supplementary Demands for the new services and expansion of existing schemes as and when they arise.

With these few words, I commend the Third Supplementary Estimates for acceptance by this House.

VI.—GENERAL DISCUSSION ON THE BUDGET FOR THE YEAR 1960-61.

4-00 p.m. MR. CHAIRMAN : Now we shall start discussion on the Budget.

SRI T. P. SRINIVASAVARADAN : Mr. Chairman, Sir, the Budget for 1960–61 has caused us some disappointment and, at the same time, given us also pleasure. I say that it has caused us disappointment because the Non-Gazetted Officers, teachers and Local Board employees expected some interim relief at least, though not the publication of the recommendations of the State Pay Commission. Nothing has been mentioned except that when the recommendations of the Pay Commission are accepted, there will be an additional expenditure. We have received the Budget as a Budget of relief because it is stated that there will be no additional taxation. Even if by accepting the recommendations of the Pay Commission, expenditure is incurred, the Government are not going to levy any taxes, and that is a great relief to us.

Then, there is also another thing. Exemption has been granted from sales tax in the case of perishable commodities like vegetables, potatoes, fruits, betel, plantain leaf, etc. In this connection, I would like to point out to the Hon. the Leader of the House that last year when the Sales Tax Bill was under discussion, many of us pleaded for the exemption of these articles from sales tax. It that had been accepted at that time, there would have been grace, and there would have been no hartal or strike.

THE HON. SRI R. VENKATARAMAN : May I remind the hon. Member that I also told the House that I would review the position at the end of the year?

SRI T. P. SRINIVASAVARADAN : If the Hon. Minister had done it at that time, there would have been grace and also there would have been no sufferings at all on the part of the public.